

FILED  
Clerk  
District Court

OCT 12 2006

For The Northern Mariana Islands  
By \_\_\_\_\_  
(Deputy Clerk)

LEONARDO M. RAPADAS  
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MARIVIC P. DAVID  
Assistant U.S. Attorney  
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108 Hernan Cortez Street  
Hagåtña, Guam 96910  
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Attorneys for United States of America

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF GUAM**

UNITED STATES OF AMERICA, )  
 )  
Plaintiff, )  
 )  
vs. )  
 )  
DIONICIO REYES LIZAMA, JR., )  
 )  
Defendant-Debtor, )  
 )  
and )  
 )  
LUEN FUNG ENTERPRISES, )  
 )  
Garnishee )

CRIMINAL CASE NO. 97-00023

**GOVERNMENT'S OBJECTION  
TO CLAIM OF EXEMPTION**

On October 16, 1997, a judgment was entered against Dionicio Reyes Lizama, Jr. (hereinafter defendant-debtor) in the amount of a \$7,500 fine plus interest which accrues at the rate of 5.49%. During his supervision with the U.S. Probation Office the defendant-debtor agreed to pay \$50 per month beginning November 11, 2001 towards his debt. Because the defendant-debtor did not fulfill this obligation, penalties of 25% were assessed for the months of March 2003, August 2003, and October 2003. (Exhibits A and B).

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1 Prior to the end of his supervision period, the defendant-debtor agreed to a wage  
2 garnishment of \$25 per pay period or at least \$50 per month. (Exhibit C). During the  
3 approximately 9-year period since the Honorable Court ordered the defendant-debtor to pay a  
4 \$7,500 fine, the current balance as of October 12, 2006 remains \$6,313.65.

5 [\$3,405.00 principal + \$2,871.15 interest + \$37.50 penalties]

6 On December 16, 2005 the defendant-debtor signed his financial statement form with  
7 knowledge of the penalties for false statements (Exhibit D). The defendant-debtor has been  
8 employed with garnishee - Luen Fung Enterprises - for at least four years, with a disposable net  
9 bi-weekly income of \$434.23 (gross minus taxes). The defendant-debtor listed his residence was  
10 located at Kagman I. The defendant listed no other real estate or source(s) of income except his  
11 Luen Fung Enterprises wages and the Kagman I property, respectively, although the financial  
12 statement at number 31 specifically asks the defendant-debtor to list "the address and description  
13 of each property" owned. The defendant's financial condition reflected an ability to pay more  
14 than the current garnishment of \$25 per pay period. In fact, the defendant-debtor added loans to  
15 creditors in the amount of \$481 in monthly payments while continuing to pay only \$25 per pay  
16 period towards this fine. Furthermore, the defendant-debtor failed to disclose the following:

- 17 a. the availability of two rental incomes which he disclosed to the Bank of Saipan in  
18 obtaining a \$16,146.28 loan on about March 1, 2005 and assigned as security interest /  
19 collateral in this loan (Exhibit E);
- 20 b. defendant-debtor owns Lot number 002 G 083 with improvements in Kagman II  
21 Subdivision the market value of which was approximately \$121,000.00 as of  
22 February 23, 2005 (Exhibit F);
- 23 c. defendant-debtor owns land with improvements in Garapan with an unknown market  
24 value;
- 25 d. all income as provided on his annual income tax returns.

26 //

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1 In this instant action, the Plaintiff seeks an amended writ of continuing garnishment of 25  
2 percent of \$868.23 monthly disposable income which is reasonable considering the available  
3 income of the judgment-debtor, the size and time-frame of the judgment. Property of the  
4 defendant-debtor subject to a writ of garnishment under 28 U.S.C. § 3205(a) includes nonexempt  
5 disposable earnings. Title 15, U.S.C. § 1673(a) provides that the maximum amount of wages  
6 that can be garnished cannot exceed the lesser of 25 percent of the disposable earnings for the  
7 week, or the amount by which its disposable earnings exceed thirty times the federal minimum  
8 wage.

9 Respectfully submitted this 12<sup>th</sup> day October, 2006.

10  
11 LEONARDO M. RAPADAS  
12 United States Attorney  
13 Districts of Guam and the NMI

14 By: /s/ Marivic P. David  
15 MARIVIC P. DAVID  
16 Assistant U.S. Attorney  
17 marivic.david@usdoj.gov  
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U.S. Department of Justice

United States Attorney  
District of Guam

Sirena Plaza, Suite 500  
108 Hernan Cortez Avenue  
Hagåtña, Guam 96910

(671) 472-7332  
FAX (671) 472-7215

December 3, 2003

Donicio Lizama  
P.O. Box [REDACTED]  
Saipan, MP 96950

RE: U.S. vs. Donicio Lizama, CR 97-00023

Dear Mr. Lizama:

On October 16, 1997 you were ordered to pay a \$7,5000 fine which you were to pay in monthly installments of \$50.00 per month beginning November 11, 2001. Your payment for March 2003 is more than 90 days late, therefore, a penalty of 25% of the total amount due has been assessed to your account. Your payment for August 2003 is more than 60 days late, therefore, a penalty of 10% of the total amount due has been assessed to your account.

A total penalty in the amount of \$17.50 has been added to your account and your balance as of December 3, 2003 is \$7,376.41. Any questions you may have may be directed to the undersigned at (671) 472-7332, extension 124.

Sincerely,

LEONARDO M. RAPADAS  
United States Attorney  
Districts of Guam and the NMI

By:

MICHELLE PEREZ  
Financial Litigation Agent

Encl.

cc: U.S. Probation Office





U.S. Department of Justice

United States Attorney  
District of Guam

Sirena Plaza, Suite 500  
108 Hernan Cortez Avenue  
Hagåtña, Guam 96910

(671) 472-7332  
FAX (671) 472-7215

February 4, 2004



Donicio Lizama  
P.O. Box [REDACTED]  
Saipan, MP 96950

RE: U.S. vs. Donicio Lizama, CR 97-00023  
penalty

Dear Mr. Lizama:

On October 16, 1997 you were ordered to pay a \$7,5000 fine which you were to pay in monthly installments of \$50.00 per month beginning November 11, 2001. Your payment for August 2003 is more than 90 days late, therefore, an additional penalty of 15% of the total amount due has been assessed to your account. Your payment for October 2003 is more than 90 days late, therefore, a penalty of 25% of the total amount due has been assessed to your account.

A total penalty in the amount of \$20.00 has been added to your account and your balance is \$7,394.99. Any questions you may have may be directed to the undersigned at (671) 472-7332, extension 124.

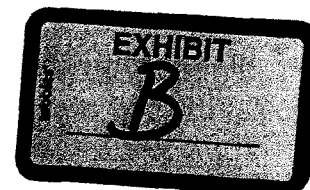
Sincerely,

LEONARDO M. RAPADAS  
United States Attorney  
Districts of Guam and the NMI

By:

  
MICHELLE PEREZ  
Financial Litigation Agent

cc: U.S. Probation Office



COPY of  
Original Filed  
on this date

JUN 29 2004

Clerk  
District Court  
For The Northern Mariana Islands

1 LIZAMA\_D.gar

2 LEONARDO M. RAPADAS

United States Attorney

3 MARIVIC P. DAVID

Assistant U.S. Attorney

4 Sirena Plaza, Suite 500

108 Hernan Cortez Avenue

5 Hagåtña, Guam 96910-5059

TEL: (671) 472-7332

6 FAX: (671) 472-7215

7 Attorneys for United States of America

8  
9 IN THE UNITED STATES DISTRICT COURT

10 FOR THE NORTHERN MARIANA ISLANDS

11  
12 UNITED STATES OF AMERICA, )

CRIMINAL CASE NO. 97-00023

13 Plaintiff, )

14 vs. )

WRIT OF CONTINUING  
GARNISHMENT

15 DONICIO REYES LIZAMA, JR., )

16 Defendant, )

17 LUEN FUNG, )

18 Garnishee. )

19  
20  
21 Upon stipulated motion of Plaintiff and Defendant for an order of Writ of Continuing  
22 Garnishment on Defendant, DONICIO REYES LIZAMA, JR.'s wages in the amount of \$25.00  
23 per pay period;

24 //

25 //

26 //

EXHIBIT

C

1 IT IS HEREBY ORDERED that Garnishee place a continuous writ of garnishment on  
2 wages in the amount of \$25.00 per pay period of DONICIO REYES LIZAMA, JR., Social  
3 Security Number [REDACTED] 5143, until further notice.


4 Checks should be made payable to:

5 **CLERK, U.S. DISTRICT COURT FOR THE NMI**

6 and mailed to:

7 U.S. District Court for the  
8 Northern Mariana Islands  
2<sup>nd</sup> Floor, Horiguchi Building  
9 Garapan  
P.O. Box 500687  
10 Saipan, MP 96950

11 DATED this 29<sup>th</sup> day of June, 2004.

13   
14 ALEX R. MUNSON  
15 Chief Judge  
16 District Court for the Northern  
17 Mariana Islands  
18  
19  
20  
21  
22  
23  
24  
25  
26

U.S. Department of Justice Financial State of Debtor  
 (Submitted for Government Action on  
 Claims Due the United States)  
 (NOTE: Use additional sheets where space on this form  
 is insufficient or continue on reverse side of pages.)

Authority for the solicitation of the requested information is one or more of the following: 5 U.S.C. 301, 901 (see Note, Executive Order 6166, June 10, 1933); 28 U.S.C. 501, et seq.; 31 U.S.C. 951, et seq.; 44 U.S.C. 3101; 4 C.F.R. 101, et seq.; 28 C.F.R. 0.160, 0.171 and Appendix to Subpart Y.  
 The principal purpose for gathering this information is to evaluate your capacity to pay the Government's claim or judgment against you. Routine uses of the information are establish in the following U.S. Department of Justice Case File Systems published in Vol. 42 of the Federal Register: Justice/CTV-001 at page 53321; Justice/TAX-001 at page 15347; Justice/USA-005 pages 53406-53407; Justice/USA-007 at pages 53408-53410; Justice/CRIM-016 at page 12774. Disclosure of the information is voluntary. If the requested information is not furnished, U.S. Department of Justice has the right to such disclosure of the information by legal methods.

## PERSONAL IDENTIFICATION

1. Name (last name, first name, middle initial) <b>Lizama Dionicio Reyes</b>	2. Birth Date (mo. day yr.) <b>12/59</b>	3. Social Security No. <b>██-██-5743</b>
4. Home Address (Residence) <b>Kagman 1</b>		5. Driver's License No. (& State) / Expiration <b>2557-2000 Exp. 10/17/2006 CN</b>
Mailing Address (if different from above) <b>P.O. Box █</b>		6. Home Phone (& Area Code) <b>(██)██-0307</b>

## EMPLOYMENT

7. Present employer's name <b>Luen Fung Ent.</b>	8. Employer's Phone No. (& Area Code) <b>(670) 234-7243</b>
9. Employer's Address (Street) <b>Gafo Rai</b>	10. Job Title <b>Warehouse man</b>
(City, State, ZIP) <b>Saipan MP 96950</b>	11. Length in Present Employment <b>4 years</b>

12. List other employers you have had in the last 3 years:

Same as above.

JAN 03 2006

Time  
Entered into Database by: **1067**

## SPOUSE/COMPANION

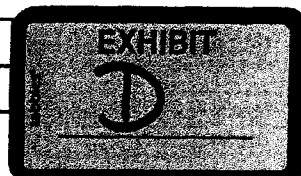
13. List current spouse/companion's name <b>Jane P. Lizama</b>	14. Social Security No. <b>██-██-3959</b>	15. Birth Date (mo. day yr.) <b>██-██-69</b>
16. Spouse/companion's home address (if different from yours) <b>Same as above</b>		
17. Spouse/companion present employer's name and address <b>None</b>		18. Employer's phone number (& area code) <b>None</b>
19. Job Title <b>None</b>		20. Length in present employment <b>None</b>

## DEPENDENTS (17 years of age and below)

21. List all dependents who live with you:

NAME	AGE	RELATIONSHIP
<b>Lizama</b>	<b>17</b>	<b>Daughter</b>
<b>"</b>	<b>16</b>	<b>"</b>
<b>"</b>	<b>12</b>	<b>Son</b>
<b>"</b>	<b>7</b>	<b>"</b>
<b>"</b>	<b>4</b>	<b>Daughter</b>
NAME/ADDRESS	AGE	RELATIONSHIP
<b>Pangelinan Chalan Kanoa</b>	<b>19</b>	<b>Daughter</b>

22. List names and addresses of all dependents who do not live with you:





23. List amount of monthly income received by dependents from any sources other than you or your spouse: \$ 0
24. Total amount of monthly income paid by you or your spouse to dependents listed in item 22. \$ 100. ✓
25. Does spouse/companion receive alimony or child support from a previous marriage? If yes, amount: \$ No
26. List names and addresses of Parents/In-Laws, if living: David E. + Maria V. Pangelinan
27. List name, address, phone number and relation of nearest relative: Antonio Aldan, Chalan Kanoa,  
- 7690, Uncle

## TAXES

28. Did you file an Income Tax Return last year? \*\* ☒ Yes ☐ No  
Joint ☒ Individual ☐ Amount of Gross Income on return \$ 13,145.14
29. Are you or did you receive a tax refund?  
☒ Yes ☐ No If yes, list from whom and amount for each refund:  
Only Child Tax Refund Total Amount \$ 1,005.-
30. Do you owe delinquent taxes? ☐ Yes ☒ No If yes, list years and amounts due below:

\*\*Attach a copy of your last income tax form filed

## REAL PROPERTY/FARM LAND/VACATION/RENTAL

31. Are you buying or do you own the home in which you live? ☒ Yes ☐ No  
Are you buying or do you own real property? ☐ Yes ☐ No  
If yes, list the address and description of each property:  
Kagman Homestead  
3 bedroom Concrete House
32. List the value of each piece of property and your equity in it: \$ 75,000.00
33. Is any of the above listed property owned jointly with anyone else? ☒ Yes ☐ No  
If yes, list property and the name of the co-owner:  
Kagman Homestead  
owners: Dionicio R. + Jane P. Lizama
34. Are you making mortgage payments? ☐ Yes ☒ No If yes, amount? \$ \_\_\_\_\_
35. Do you rent the property to others? ☐ Yes ☒ No  
If yes, what is the net income to you? \$ \_\_\_\_\_
36. Does your spouse/companion solely own real property? ☐ Yes ☒ No  
If the answer is yes, list the property address and value:  
\$ \_\_\_\_\_

**SALARY, WAGES, COMMISSION OR RETIREMENT INCOME**

37. Your gross income (before any deductions)

Check one: ☐ semi-monthly ☐ monthly ☒ bi-weekly ☐ weekly

Debtor

Spouse/Companion

\$ 491.50

\$

List the amount of deductions for

38. Federal Withholding Taxes.....\$

\$

39. Local Withholding Taxes.....\$ 19.66

\$

40. FICA/Medicare.....\$ 37.61

\$

41. Gross Wages minus Taxes.....\$ 434.23

\$

42. Rental Income.....\$ 0

\$

43. Pension.....\$ 0

\$

44. Interest/Dividends.....\$ 0

\$

45. Other Income (Specify: ).....\$ 0

\$

46. Total Household Wages.....\$ 434.23

Attach a copy of your last pay slip to this form

47.

**FIXED MONTHLY EXPENSES (Fill in Blanks)**

Rent/Mortgage \$

Home Insurance &amp; Taxes \$

Car Payment \$ \*

List only if paid directly by you  
Car Insurance \$ 40.-

Gasoline \$ 250.-

Water \$

Electricity \$ 105.-

Telephone \$

Natural Gas (butane) \$ 25.-

Other Utilities (Specify) \$

Cable TV \$

Public Transportation \$

Medical Insurance \$ 20.-

Dental Insurance \$

Life Insurance \$

Union Dues \$

Retirement / 401(k) \$

Other (Specify) \$ 80.- \* → Household supplies

Food \$ 200.-

Other (Specify) \$ 100.- \* → children's needs

Subtotal \$

Subtotal \$

GRAND TOTAL \$ 820.-

\*list creditor below

List credit card, installment or other payments (if additional space needed, use last page or attach additional sheets.)

Creditor	Date of Debt/Purpose	Total Amount Due	Date of last payment	Payment amount	Frequency
Well's Fargo	4/22/05 renovate house	\$5,000.-	10/27/05	146.-	

TOTAL FIXED MONTHLY EXPENSES \$ 966.-

48.

**CASH**

Provide name and address of Bank or Institution:

None

Amount in account or on deposit

Checking Account Number:

Savings Account Number:

Credit Union Account(s) Number:

Money Market Account:

Certificate of Deposit(s):

IRA or Keough Account:

Total Amount

\$

**OTHER ASSETS**49. Do you or your spouse/companion own U.S. Savings Bonds? ☐ Yes ☒ No

If yes, number ( ). State Denomination

Value \$

50. Do you own stocks or other type bonds? ☐ Yes ☒ No

If yes, list value and name and address of issuer:

(If additional space needed, use back of last page.)

51. Do you or your spouse/companion receive any other cash compensation, such as an insurance annuity, lottery winnings, pensions, retirement pay, or disability benefits? ☐ Yes ☒ NoDo you or your spouse/companion receive food stamps, SSI funds or unemployment compensation? ☒ Yes ☐ No

If yes to either of these questions, list below the source and amount:

Food stamps (Monthly)\$ 382.00

\$

52. List make and model of any auto owned or being purchased by you, your spouse/companion or dependent:

Model (include year)	Make/License No.	Value
<u>Toyota Camry 2000</u>	<u>2000 Model ACT282</u>	<u>8,000.00</u>

53. Do you or your spouse/companion own:

Value

Total Amount

\$

a boat?

a camper/recreational vehicle?

a motorcycle/bike?

an airplane?

antiques, art objects or stamp collections?

jewelry valued over \$5,000

None

Total Amount

\$

Is any of the property listed above owned jointly with anyone else? ☐ Yes ☒ No If yes, whom?

54. Do you, your spouse/companion and/or your dependents rent or use a safe-deposit box? ☐ Yes ☒ No

If yes, where is the safe-deposit located: \_\_\_\_\_

Other safe-deposit box information: \_\_\_\_\_

Name(s) Listed	Number/Identification	Contents	Ownership	Value
	None			

#### ITEMS WHICH MIGHT AFFECT FUTURE ASSETS

55. Are you involved in a lawsuit in which you might receive money or something of value? ☐ Yes ☒ No If yes, state where the suit is filed and what it involves: (include Court number and caption) \_\_\_\_\_

56. Are you a Trustee, Executor, or Administrator of an estate? ☐ Yes ☒ No If yes, give details: \_\_\_\_\_

57. Is anyone holding money on your behalf? ☐ Yes ☒ No If yes, give details: \_\_\_\_\_

58. Is there any likelihood you will receive an inheritance? ☐ Yes ☒ No If yes, give specific details: \_\_\_\_\_

59. Have you sold or transferred either real property or stocks and bonds during the past 3 years? ☐ Yes ☒ No If yes, give specific details: \_\_\_\_\_

60. Are your wages and/or those of your spouse under garnishment at this time? ☐ Yes ☒ No If yes, give specific details: \_\_\_\_\_

Reduction from Salary ever Month \$50.-

61. Are there outstanding unpaid judgments against you for any debts other than this one? ☐ Yes ☒ No If yes, give specific details: \_\_\_\_\_

62. Do you owe large medical bills? ☐ Yes ☒ No If yes, give specific details and attach copies of the bills: \_\_\_\_\_

.....

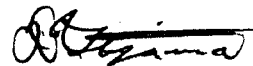
With knowledge of the penalties for false statements provided by 18 U.S.C. § 1001 (\$10,000 fine and/or five years imprisonment) and with knowledge that this financial statement is submitted by me to affect action by the U.S. Department of Justice, I certify that I believe the above statement is true and that it is a complete statement of all my income and assets.

Full payment of this debt owed to the United States Government is not possible at this time. Therefore, I hereby offer to pay \$ \_\_\_\_\_ monthly until this debt is paid. I would like to have my payments due on the \_\_\_\_\_ of each month. The first payment is enclosed and attached to this Financial Statement. I understand that any repayment agreement is temporary and subject to review at least every year. (Note: Payments should be scheduled either for the 1st or 15th of each month.)

Date

12/14/05

Legal Signature



**NOTE: If you have added additional sheets to this form, you must also sign these sheets. Any repayment agreement is temporary and subject to review at least every year.**



# BANK OF SAIPAN Marianas Pride

P.O. Box 500690, Saipan, M.P. 96950 U.S.A.  
Tel: (670) 235-6261-5 • Fax: (670) 235-6294  
Telex 682-BANKSPN

## NOTE AND SECURITY AGREEMENT FEDERAL TRUTH IN LENDING DISCLOSURES

Note Number	Note Amount	Note Rate	Note Date	Maturity Date
0691	\$16,146.28	9.00%	March 01, 2005	March 01, 2010

In this Note and Security Agreement, which after this will be called the "Note", the words "you" and "your" means each and all who signed it. The words "we," "us" and "our" mean Bank of Saipan. You represent to us that you will use the money we loan you primarily for, X personal, family or household purposes, or        business purposes.

TRUTH LENDING ACT DISCLOSURES			
<b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate.	<b>FINANCE CHARGE</b> The dollar amount the credit will cost you.	<b>Amount Financed</b> The amount of credit provided to you or on your behalf.	<b>Total of Payments</b> The amount you will have paid after you have made all payments as scheduled.
9.43 %	\$ 4,118.88	\$ 15,984.82	\$ 20,103.70
<b>Payment Schedule</b>	<b>Number of Payments</b>	<b>Amounts of Payments</b>	<b>When Payments Are Due --monthly beginning</b>
		\$	
		\$	
	59	\$ 335.17	April 01, 2005
	1	\$ 328.67	March 01, 2000
<b>Variable Rate Feature</b> <input type="checkbox"/> VARIABLE RATE The annual percentage rate may increase during the term of this transaction if: <input type="checkbox"/> Your required deposit falls below 105% of your outstanding loan balance. <input type="checkbox"/> The Bank of Saipan Savings rate of <u>      </u> % changes. <input type="checkbox"/> Your employment with Bank of Saipan is terminated. <input type="checkbox"/> Other (specify) <u>      </u>			
The interest rate of this loan will never exceed <u>      </u> %. The interest rate of this loan will not increase more than once every <u>      </u> . Any increase will take the form of a larger amount due at maturity. Any increase is at our discretion. <input type="checkbox"/> Your loan contains a variable rate feature. Disclosures about the variable rate feature have been provided to you earlier. <b>Effect of Interest Rate Increase.</b> Example of a typical transaction: If your loan is for \$10,000 at an initial interest rate of 15% over a 60-month term, and the interest rate increases to 16 % at the end of the first month, your annual payment would increase from \$ 231.71 to \$693.35. 1) Real Estate Mortgage Lot 002 G 83 (see attached "Exhibit A") 2) Assignment of Rental Incomes			
<b>Security.</b> You are giving a security interest in: <input checked="" type="checkbox"/> the goods or property being purchased <input checked="" type="checkbox"/> any amount we owe you, such as your checking or savings account. <input checked="" type="checkbox"/> collateral securing other loans with you may also secure this loan.			
<b>Late Charge.</b> If a payment or part of a payment is more than 10 days late, you will be charged 5% of the scheduled payment due, but not less than \$5.00.			
<b>Prepayment.</b> If you pay off this loan early, you will not have to pay a penalty. You will not be entitled to a refund of part of the finance charge.			
<b>Required Deposit.</b> If you are required to maintain a deposit for this loan, the annual percentage rate does not take into account the required deposit.			
<b>Demand Feature.</b> <input type="checkbox"/> This note has a demand feature. <input type="checkbox"/> This note is payable on demand and all disclosures are based on an assumed maturity of one year.			
<b>prepayment refunds and penalties.</b> <u>e</u> means an estimate			

Itemization of the Amount Financed		INSURANCE	
Amount given directly:		Credit life insurance and credit disability insurance are not required to obtain credit and will not be provided unless you request the insurance and agree to pay the additional cost by signing your initials alongside the coverage you want.	
Cashiers check no. <u>      </u>	\$ <u>      </u>	Coverage Premium	Credit Life \$ 1,146.28
Deposited to the account no. <u>5265</u>	\$ 12,899.53	Term	Sixty (60) Months
Deposited to the account no. <u>      </u>	\$ <u>      </u>	I want credit life insurance	<u>      </u> (Signature of insured)
Amount paid on your account:	\$ <u>      </u>	I want credit life insurance	<u>      </u> (Signature of insured)
On loan account no. <u>      </u>	\$ <u>      </u>	Coverage Disability Premium	\$ N/A
On loan account no. <u>      </u>	\$ <u>      </u>	Term	<u>      </u> Months
On <u>Wells Fargo Financial</u>	\$ 1,181.01	I want disability insurance	<u>      </u> (Signature of insured)
Amount paid on the other(s) on your behalf:	\$ <u>      </u>	I want disability insurance	<u>      </u> (Signature of insured)
To public officials for filing fees	\$ 20.00	Property and Automobile Insurance: You may obtain property or automobile insurance required under this Note from any insurance company you want that is licensed to provide insurance in the Commonwealth of the Northern Mariana Islands.	
To insurance company for credit insurance.	\$ 1,146.28		
To Loan Processing Fees, <u>1</u> % of Loan Amount	\$ 161.46		
To <u>Loan Documentation</u>	\$ 318.00		
To <u>Pacific American Title (Ins Pol)</u>	\$ 420.00		
Additional items (detail included on attached list)	\$ <u>      </u>		
(less) PREPAID FINANCE CHARGES (s)	\$ (161.46)		
Amount Financed	\$ 15,984.82		
(Add all items financed and subtract prepaid finance charges)	\$ <u>      </u>		

**YOUR PROMISE TO PAY.** In consideration of our making the above-described loan to you, you promise to pay us the Note Amount and all other charges. Until you have done so, you will pay us interest on the unpaid balances at the Note Rate stated above. You will pay us the Note Amount based on the above payment schedule. You will pay us at the address stated above or at our branches. With your last payment, you will pay us amounts still due under this Note. You have no right to refinance any balloon payment.

**PREPAYMENT.** You will not be entitled to a refund of a part of the finance charge.

**LATE CHARGES.** For each payment or part of a payment that we don't received within 10 days after it is due, you will be charged 5% of the scheduled payment that is due but not less than \$5.00. We won't charge you the late charge more than once for the same late payment.

**REQUIRED PAYMENT BEFORE SCHEDULE DATE.** If you are in default under this Note, we may "accelerate" your payments. That is to say we may require immediate repayment of everything you owe, even though it is not yet otherwise due. We may do that without giving you advance notice. (Please refer to the Default paragraph on other side of this Note in the event you are in default.)

**OUR SECURITY.** To assure us that you will pay us and do everything as you have promised in this Note, you will give us a Security Agreement in this Property, which you own or will own. (hereafter termed "Property"). Either before or after enforcing our security, and without risk to any of our rights, we may keep and apply of this Note any premiums refunded on insurance which you are purchasing under this note, along with any proceeds of it and all proceeds of it including insurance proceeds, but we do not have to do so. By signing this Note you agree to this security Agreement with any government agency, court, or bureau we may choose.

**NOTICE: SEE ADDITIONAL TERMS ON THE OTHER SIDE OF THIS NOTE** (Cosigners see Notice to Cosigner Attachment). By signing this Note, you acknowledge that it was filled in before you did so. You agree to all of its terms and conditions, in the Note and Security Agreement. You agree that you have received the Truth in Lending Disclosures. You authorize us to itemization of the Amount Financed Section. By signing this Note you also acknowledge receipt of a copy of it.





Payment Schedule	Number of Payments	Amounts of Payments	When Payments Are Due --monthly beginning
		\$	
		\$	
	59	\$ 335.17	April 01, 2005
	1	\$ 328.67	March 01, 2000

## Variable Rate Feature

☐ VARIABLE RATE

The annual percentage rate may increase during the term of this transaction if:

- ☐ Your required deposit falls below 105% of your outstanding loan balance.  
☐ The Bank of Saipan Savings rate of \_\_\_\_\_ % changes. ☐ Your employment with Bank of Saipan is terminated.  
☐ Other (specify) \_\_\_\_\_

The interest rate of this loan will never exceed \_\_\_\_\_. The interest rate of this loan will not increase more than once every \_\_\_\_\_.  
 Any increase will take the form of a larger amount due at maturity. Any increase is at our discretion.

☐ Your loan contains a variable rate feature. Disclosures about the variable rate feature have been provided to you earlier.

**Effect of Interest Rate Increase.** Example of a typical transaction: If your loan is for \$10,000 at an initial interest rate of 15% over a 60-month term, and the interest rate increases to 16% at the end of the first month, your annual payment would increase from \$231.71 to \$233.35.

1) Real Estate Mortgage Lot 002 G 83 (see attached "Exhibit A")  
 2) Assignment of Rental Incomes

Security. You are giving a security interest in:

- ☒ the goods or property being purchased ☒ any amount we owe you, such as your checking or savings account.  
☒ collateral securing other loans with you may also secure this loan.

**Late Charge.** If a payment or part of a payment is more than 10 days late, you will be charged 5% of the scheduled payment due, but not less than \$5.00.

**Prepayment.** If you pay off this loan early, you will not have to pay a penalty. You will not be entitled to a refund of part of the finance charge.

**Required Deposit.** If you are required to maintain a deposit for this loan, the annual percentage rate does not take into account the required deposit.

**Demand Feature.** ☐ This note has a demand feature.

☐ This note is payable on demand and all disclosures are based on an assumed maturity of one year.

**prepayment refunds and penalties.**

**e means an estimate**

## Itemization of the Amount Financed

Amount given directly:

Cashiers check no. \_\_\_\_\_ \$  
 Deposited to the account no. 5265 \$ 12,899.53  
 Deposited to the account no. \_\_\_\_\_ \$

Amount paid on your account:

On loan account no. \_\_\_\_\_ \$  
 On loan account no. \_\_\_\_\_ \$  
 On Wells Fargo Financial \$ 1,181.01

Amount paid on the other(s) on your behalf:

To public officials for filing fees \$ 20.00  
 To insurance company for credit insurance \$ 1,146.28  
 To Loan Processing Fees, 1 % of Loan Amount \$ 161.46  
 To Loan Documentation \$ 318.00  
 To Pacific American Title (Ins Pol) \$ 420.00

Additional items (detail included on attached list)

(less) PREPAID FINANCE CHARGES (s) \$ (161.46)

Amount Financed \$ 15,984.82

(Add all items financed and subtract prepaid finance charges)

## INSURANCE

Credit life insurance and credit disability insurance are not required to obtain credit and will not be provided unless you request the insurance and agree to pay the additional cost by signing your initials alongside the coverage you want.

Coverage Credit Life  
 Premium \$ 1,146.28

Term Sixty (60) Months

I want credit life insurance *[Signature]*  
 (Signature of insured)

I want credit life insurance *[Signature]*  
 (Signature of insured)

Coverage Disability  
 Premium \$ N/A

Term \_\_\_\_\_ Months

I want disability insurance *[Signature]*  
 (Signature of insured)

I want disability insurance *[Signature]*  
 (Signature of insured)

Property and Automobile Insurance: You may obtain property or automobile insurance required under this Note from any insurance company you want that is licensed to provide insurance in the Commonwealth of the Northern Mariana Islands.

**YOUR PROMISE TO PAY.** In consideration of our making the above-described loan to you, you promise to pay us the Note Amount and all other charges. Until you have done so, you will pay us interest on the unpaid balances at the Note Rate stated above. You will pay us the Note Amount based on the above payment schedule. You will pay us at the address stated above or at our branches. With your last payment, you will pay us amounts still due under this Note. You have no right to refinance any balloon payment.

**PREPAYMENT.** You will not be entitled to a refund of a part of the finance charge.

**LATE CHARGES.** For each payment or part of a payment that we don't receive within 10 days after it is due, you will be charged 5% of the scheduled payment that is due but not less than \$5.00. We won't charge you the late charge more than once for the same late payment.

**REQUIRED PAYMENT BEFORE SCHEDULE DATE.** If you are in default under this Note, we may "accelerate" your payments. That is to say we may require immediate repayment of everything you owe, even though it is not yet otherwise due. We may do that without giving you advance notice. (Please refer to the Default paragraph on other side of this Note in the event you are in default.)

**OUR SECURITY.** To assure us that you will pay us and do everything as you have promised in this Note, you will give us a Security Agreement in this Property, which you own or will own. (hereafter termed "Property"). Either before or after enforcing our security, and without risk to any of our rights, we may keep and apply of this Note any premiums refunded on insurance which you are purchasing under this note, along with all substitution for it, everything installed in or affixed to it and all proceeds of it including insurance proceeds, but we do not have to do so. By signing this Note you are permitting us to file this security Agreement with any government agency, court, or bureau we may choose.

**NOTICE: SEE ADDITIONAL TERMS ON THE OTHER SIDE OF THIS NOTE** (Cosigners see Notice to Cosigner Attachment before signing)

By signing this Note, you acknowledge that it was filled in before you did so. You agree to all of its terms and conditions, including those on the other side of the Note and Security Agreement. You agree that you have received the Truth in Lending Disclosures. You authorize us to make payments indicated in the Itemization of the Amount Financed Section. By signing this Note you also acknowledge receipt of a copy of it.

Your Signature: *[Signature]* Dionicio R. Lizama, Jr.

Your Address: P.O. Box \_\_\_\_\_  
 Saipan, MP 96950

Your Signature: *[Signature]* Jane P. Lizama

Your Address: P.O. Box \_\_\_\_\_  
 Saipan, MP 96950

**GUARANTOR (S).** I (we) acknowledge that I (we) have read the terms and conditions of this Note and Security Agreement. I (we) also certify that the Bank of Saipan has provided a notice explaining the responsibility of a guarantor/co-signor and I (we) understand the obligation being undertaken by executing this document as a guarantor/co-signor. I (we) hereby agree to guarantee payment of all obligations incurred by the debtor under this agreement.

My Signature: \_\_\_\_\_

My Signature: *[Signature]*

**EXHIBIT A**

**Note Number:** ████████0691  
**Note Amount:** \$16,146.28  
**Note Rate:** 9.00%  
**Note Date:** March 01, 2005  
**Maturity Date:** March 01, 2010

**Description of Security:**

1. Lot 002 G 83 (as more particularly described on Drawing/Cadastral Plat No. 002 G 03, the original of which was recorded 14 May 90 as Document No. 90-1900 at Commonwealth Recorder's, Saipan.)

**2. Assignment of Rental Income**

- a. Lot 002 G 83
- b. Lot 1987-B2-2

**Acknowledged By:**



Dionicio R. Lizama, Jr.



Jane P. Lizama

FILE NO. 05-734

.....  
**ASSIGNMENT OF RENTAL INCOME**

05 MAR -2 A8:50  
BK 13 Pg 22

This Assignment of Rental Income herein referred to as the "Assignment" references any and all existing and future rental agreement(s) on the residential building located on Lot No(s). 1987-B2-2 owned by Dionicio R. Lizama, Jr. and Jane P. Lizama herein referred to as the "Assignor" and any and all existing and future tenants on said lots.

For value received, all right, title, and interest in and to any and all existing and future rental income referenced above, are hereby assigned to **Bank of Saipan**, and shall be made and delivered to **Bank of Saipan** refer to as Assignee, for the credit of Dionicio R. Lizama, Jr. and Jane P. Lizama, loan number 0691, as Borrower(s) under certain Note and Security Agreement dated March 01, 2005. All subsequent renewals, extensions, assignments and amendments of any existing and future rental agreement(s) on said property are also subject to this Assignment.

The Assignor shall establish a deposit account in which all rental income shall be deposited. The deposit account number is 5265.

Assignor request Assignee to make the monthly lease payment using the rental income deposited into the operation account to Bank of Saipan and Jane P. Lizama under that certain lease between Assignor and Lessor. Assignee agrees to make the payment during the term of the loan referenced above.

Assignee:  
Bank of Saipan, Inc.

By: [Signature]  
**Lee R. Francia, Chief Lending Officer**

Date: 3/1/05

Assignor(s)

[Signature]  
**Dionio R. Lizama, Jr.**

Date: 3/1/05

[Signature]  
**Jane P. Lizama**

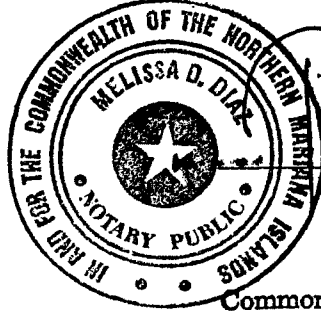


Commonwealth of the )  
Northern Mariana Islands )  
)

Ss:

On this 1st day of March 2005, before me, a Notary Public in and for the Commonwealth of the Northern Mariana Islands, personally appeared Dionicio R. Lizama, Jr. and Jane P. Lizama known to me to be the person(s) who executed the foregoing **Assignment of Rental Income** and acknowledged to me that they executed the same.

In witness whereof, I have hereunto set my hand and affixed my official seal, the date first above written.



[Signature]  
Notary Public

MELISSA D. DIAZ  
NOTARY PUBLIC

Commonwealth of the Northern Mariana Islands  
My Commission expires: July 12, 05

FILE NO. 05-733  
BK 13 Pg 22  
'05 MAR -2 18:49

ASSIGNMENT OF RENTAL INCOME

This Assignment of Rental Income herein referred to as the "Assignment" references any and all existing and future rental agreement(s) on the residential building located on Lot No(s). 002 G 83 owned by Dionicio R. Lizama, Jr. and Jane P. Lizama herein referred to as the "Assignor" and any and all existing and future tenants on said lots.

For value received, all right, title, and interest in and to any and all existing and future rental income referenced above, are hereby assigned to **Bank of Saipan**, and shall be made and delivered to **Bank of Saipan** refer to as Assignee, for the credit of Dionicio R. Lizama, Jr. and Jane P. Lizama, loan number 0691, as Borrower(s) under certain Note and Security Agreement dated March 01, 2005. All subsequent renewals, extensions, assignments and amendments of any existing and future rental agreement(s) on said property are also subject to this Assignment.

The Assignor shall establish a deposit account in which all rental income shall be deposited. The deposit account number is 5265.

Assignor request Assignee to make the monthly lease payment using the rental income deposited into the operation account to Bank of Saipan and Jane P. Lizama under that certain lease between Assignor and Lessor. Assignee agrees to make the payment during the term of the loan referenced above.

Assignee:

Bank of Saipan, Inc.

By: Lee R. Francia, Chief Lending Officer

Date: 5/1/05

Assignor(s)

Dionio R. Lizama, Jr.

Date: 3/1/05

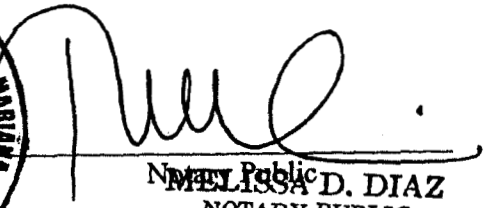
Jane P. Lizama

Commonwealth of the )  
Northern Mariana Islands ) Ss:  
)

On this 19<sup>th</sup> day of March 2005, before me, a Notary Public in and for the Commonwealth of the Northern Mariana Islands, personally appeared Dionicio R. Lizama, Jr. and Jane P. Lizama known to me to be the person(s) who executed the foregoing **Assignment of Rental Income** and acknowledged to me that they executed the same.

In witness whereof, I have hereunto set my hand and affixed my official seal, the date first above written.



  
NOTARY PUBLIC  
MELISSA D. DIAZ  
NOTARY PUBLIC  
Commonwealth of the Northern Mariana Islands  
My Commission expires: July 12, 25

**V.M. SABLAN & ASSOCIATES**  
**Real Estate Appraisers/Consultants**

2nd Floor, Sablan Building, San Jose  
SPS # 88, P.O. Box 10006 CK  
Saipan, MP 96950

Tel. No. (670) 235-8708  
Fax No. (670) 235-8709  
Email: vmsablan@jitecnmi.com

February 24, 2005

**Mr. Dionicio R. & Mrs. Jane P. Lizama**  
Dokdok Drive, Kagman II Subdivision,  
Saipan, MP 96950

**Subject :        Market Value of Lot 002 G 83**

Dear Mr. & Mrs. Lizama:

As requested, a summary of a complete appraisal report was performed on the above-described property, containing a one-storey residential building and other site improvements on said land, located along Dokdok Drive, Kagman II Subdivision, Saipan, Commonwealth of the Northern Mariana Islands (CNMI). The underlying land contain an area of 929 square meters, more or less. The description of the subject is more particularly described in the body of this report.

This appraisal was performed for the purpose of providing an estimate of the market value of the subject property, in terms of cash or in terms of financial arrangements equivalent to cash, as of February 23, 2005, the effective date of the appraisal and the date of inspection. The intended use of the appraisal is to provide the client and the Bank of Saipan (BOS) with information regarding the CNMI general data, as well as the specific data and opinion of market value of the subject property for use as guide for financing purposes.

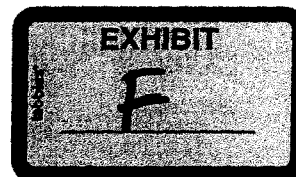
During the appraisal process, the appraisers made a physical inspection of the interior and exterior of the subject as well as the neighborhood and the comparable properties, and made an analysis of the physical, economic, governmental and social conditions which affected real property values as of February 23, 2005, the effective date of the appraisal.

Based on this investigation and analysis, we have formed an opinion that the market value of the fee simple in the subject property, in terms of cash or equivalent subject to the definitions, certifications, and limiting conditions set forth in the accompanying report, as of the effective date, was:

**One Hundred Twenty One Thousand Dollars**  
**(\$121,000.00)**

The analysis, reasoning and the appraisal procedures followed from which the concluded value of the subject property derived are described in the body of this report.

We certify that we have no present nor prospective interest in the property that is the subject of this report, and that the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting



conditions, and are our personal, unbiased professional analyses, opinions, and conclusions and neither the employment to make this appraisal nor the compensation is contingent upon the value reported.

Respectfully submitted,

V.M. Sablan & Associates,



Vicente M. Sablan  
Principal Appraiser  
CNMI Certified General Appraiser  
Federally-Related Transactions  
BPL License No. REA-021-93  
Expiration Date: April 04, 2006

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*Lot 002 G 83*

*Location: Dokdok Drive, Kagman II Subdivision, Saipan*

*Owners: Mr. Dionicio R. & Mrs. Jane Pangelinan Lizama*

*Effective Date of Appraisal: February 23, 2005*